

# NEW MEXICO ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS



New Mexico is the proud home of the Albuquerque Clean Cities Coalition, and, with Texas, the Paso del Norte Clean Cities Coalition.

## ***Overview***

New Mexico does not have any formal incentives to encourage alternative fuel vehicles (AFVs) other than a lower sales tax for alternative fuels than the sales tax on gasoline. The Energy, Minerals, and Natural Resources Department (EMNRD) administers a Transportation Program which provides grant funds on a competitive basis for projects including alternative fuel conversion projects.

## ***State Incentives***

The Energy Conservation and Management Division of the EMNRD provides grant funds for projects that will reduce the overall energy demand and the consumption of petroleum products. EMNRD provides funding on a competitive basis to eligible applicants to conduct AFV conversion and training, or similar activities in New Mexico.

To participate in the program, eligible applicants must submit proposals within specified dates as determined by EMNRD. If a proposal is selected for funding, the applicant will be required to enter into a professional services agreement or joint powers agreement with EMNRD to conduct the designated project. Approximately \$250,000 is available on an annual basis. For more information contact, Louise Martinez, EMNRD, Energy Conservation and Management Division, at (505) 827-5999.

## ***Utility/Private Incentives***

**Public Service Company of New Mexico (PNM)** Alternative Fuels Vehicle (AFV) Group has opened a Conversion and Technology Center at 1001 Candelaria NE in Albuquerque where gasoline powered vehicles can be converted to operate on compressed natural gas (CNG). PNM's AFV Group also provides compression services with 16 public and private access CNG stations throughout New Mexico. PNM through strategic alliances can assist with the ordering of original equipment manufacturer (OEM) vehicles and assist with locating third-party financing for vehicle acquisition, conversion, and fueling stations. For additional information, contact Todd Hall at (505) 241-4447.

## ***Laws & Regulations***

The state authorized a \$5 million loan fund for AFV conversions by state agencies, institutions of higher learning, and school districts. However, the legislature has not yet appropriated any money for this fund.

New Mexico has exempted CNG, when used as a transportation fuel, from Public Service Commission jurisdiction.

Public Law 92-58, the Alternative Fuel Conversion Act, requires that 100% of new state and post-secondary institution fleet vehicles must operate on alternative fuels as of model year 1996, less authorized exemptions.

House Bill (HB) 1014 (1995) exempts law enforcement vehicles from AFV conversion mandates.

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## *Laws & Regulations (cont.)*

The Alternative Fuels Tax Act, passed in 1995, provides tax incentives for alternative fuels. A tax of 12¢/gallon for all alternative fuels will be implemented over a 6-year period, compared to a fuel tax of 16¢/gallon for gasoline and 18¢/gallon for diesel.

<u>Year</u>	<u>Alternative Fuels Tax</u>
1996, 1997	3¢/gallon
1998, 1999	6¢/gallon
2000, 2001	9¢/gallon
2002 and beyond	12¢/gallon

HB 462 (1993) provides that instead of paying the per gallon road tax, owners of AFVs can purchase an annual fuel tax decal for a flat fee based on the gross vehicle weight (gvw) up to 54,000 gvw. For example, the fee for a passenger car would be \$15/year.

## *Points of Contact*

### **Albuquerque Clean Cities Coordinator**

Mike Minturn (505) 768-5357

### **Future Clean City**

#### **Santa Fe Clean Cities Coalition**

Terrence Nefos (505) 438-1461  
City of Santa Fe

### **New Mexico State Energy Office**

Energy, Minerals, and Natural Resources Department  
Louise Martinez (505) 827-5999

### **Public Service Company of New Mexico**

Todd Hall (505) 241-4447

### **New Mexico General Services Department**

Richard Leonard (505) 827-2141

### **Metropolitan Planning Organizations**

#### **Middle Rio Grande Council of Governments**

Loretta Tollefson (505) 247-1750

### **New Mexico State Transportation Contact**

State Highway and Transportation Department  
Scott Smith (505) 827-5522

### **U.S. Department of Energy**

#### **Denver Regional Support Office**

Dallas Duty Station

Dan Deaton (972) 491-7276

### **U.S. Department of Transportation Contacts**

#### **Federal Highway Administration**

Region 6

George Hadley (817) 334-3235

#### **Federal Transit Administration**

Region 6

Jesse Balleza (817) 860-9663

### **General Services Administration**

#### **Regional Fleet Manager**

Region 7

Virlene Griffin (817) 978-2381

### **U.S. Environmental Protection Agency**

#### **Regional Pollution Prevention Coordinators**

Region 6

Rob Lawrence (214) 665-6580

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